

**LEGISLATIVE SERVICES AGENCY
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FISCAL IMPACT STATEMENT

LS 6620

BILL NUMBER: HB 1549

NOTE PREPARED: Jan 24, 2013

BILL AMENDED:

SUBJECT: Golden Hoosier Discount Card.

FIRST AUTHOR: Rep. Turner

FIRST SPONSOR:

BILL STATUS: As Introduced

FUNDS AFFECTED: X **GENERAL**
DEDICATED
FEDERAL

IMPACT: State

Summary of Legislation: The bill establishes the Golden Hoosier Discount Card Program within the Division of Aging. It allows an Indiana resident who is at least 60 years of age or who has a physical or mental impairment substantially limiting one or more major life activities to obtain a golden Hoosier Discount Card that entitles the cardholder to discounts from participating organizations.

Effective Date: July 1, 2013.

Explanation of State Expenditures: The bill may have no fiscal impact if the costs of establishing the Golden Hoosier Discount Card Program are provided exclusively from grant funding.

Startup costs for the Golden Hoosier Discount Card Program are estimated to be \$3 M. The program would cost approximately \$150,000 annually thereafter to maintain it. The estimated expenditures to establish the program may be reduced if the Division of Aging obtains grant funding from private businesses and nonprofit organizations or funds the program exclusively from grant funding.

Division of Aging staff workload will increase (regardless of funding sources available) to (1) negotiate the terms of the Golden Hoosier Discount Card Program with Indiana businesses; and (2) collaborate with private businesses and nonprofit organizations to obtain grant funding for the program.

Background: The Ohio Department of Aging operates the Golden Buckeye card, which provides savings to Ohioans age 60 or older, as well as adults age 18-59 who have disabilities as defined by Social Security. Over

16,000 Ohio businesses provide cardmembers savings on goods and services. The Ohio program has been in existence since 1976.

The Division of Aging has estimated that 18 additional employees would be needed to implement this program. Two positions at the Division would be responsible for managing and coordinating the program. Additionally, one position would be located in each of the 16 Area Agencies on Aging. These employees would be responsible for contacting businesses to participate in the program and helping to determine the discount, as well as taking applications and issuing the Golden Hoosier Discount Card. The cost of salaries, fringe benefits, and indirect costs for these employees is estimated to be approximately \$850,000 for one year.

Following the implementation phase, the Division reports that it would need one staff, located at the Division, to maintain the program. The estimated salary for this employee is \$46,000, including fringe benefits.

Public relations, marketing, and a media campaign are estimated to cost \$515,000 initially, and approximately \$100,000 annually following implementation. A high-end estimate for developing and producing both the Discount Card and the decal that would be distributed to participating businesses is estimated to cost \$1,711,000. However, this estimate is based on the assumption that every eligible person will apply for the card; the likelihood of this occurring is minimal. Approximately 84,000 individuals will become age-eligible annually following implementation.

The funds and resources required above could be supplied through a variety of sources, including the following: (1) Existing staff and resources not currently being used to capacity; (2) Existing staff and resources currently being used in another program; (3) Authorized, but vacant, staff positions, including those positions that would need to be reclassified; (4) Funds that, otherwise, would be reverted; or (5) New appropriations. Ultimately, the source of funds and resources required to satisfy the requirements of this bill will depend upon legislative and administrative actions.

Explanation of State Revenues:

Explanation of Local Expenditures:

Explanation of Local Revenues:

State Agencies Affected: Family and Social Services Administration, Division of Aging.

Local Agencies Affected:

Information Sources: Christina Hage, FSSA, christina.hage@fssa.in.gov; Ohio Department of Aging (<http://aging.ohio.gov/goldenbuckeye/>).

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